GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2693
ANSWERED ON:16.03.2007
OPEN MARKET BORROWINGS
Saradgi Shri Iqbal Ahmed

Will the Minister of FINANCE be pleased to state:

(a) whether the issue of prepayment of outstanding State Open Market Borrowing (OMB) was discussed in the 18th conference of State Finance Secretaries;

(b) if so, the details of decision taken thereon;

(c) whether Government of Karnataka has made any requests to the Union Government in this regard; and

(d) if so, the details thereof and reaction of the Union Government thereon?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (d): Yes, Sir.

Based on the requests of State Governments, a general scheme for buyback of State Development Loans (SDL) through auction route has been drawn up through consultation between RBI, Government of India and State Governments. Government of India has already communicated its concurrence to RBI regarding the buyback proposal of Government of Karnataka, as also of Orissa, Gujarat and Rajasthan vide letter dated February 2, 2007.